



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 1 6 - 0 2 7 6
SEP 0 1 2016

REPORT RE:

**DRAFT ORDINANCE ESTABLISHING A LOCAL AND LOCAL SMALL BUSINESS
ENTERPRISE PROGRAM FOR LOS ANGELES WORLD AIRPORTS'
PROCUREMENT OF GOODS, EQUIPMENT AND SERVICES, INCLUDING DESIGN
AND CONSTRUCTION, WHEN THE CONTRACT INVOLVES
AN EXPENDITURE IN EXCESS OF \$150,000**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance was initiated by Los Angeles World Airports (LAWA) and approved by the Board of Airport Commissioners (BOAC). It would establish a local business and local small business bid preference program for LAWA's procurement of goods, equipment and services, including design and construction, when the contract involves an expenditure in excess of \$150,000.

The bid preference program is intended to create a more level bidding environment for local and local small businesses to compete for LAWA contracting opportunities, and to discourage existing businesses from relocating to less expensive areas outside of the County of Los Angeles. The enclosed draft ordinance, if adopted, would enable LAWA to most effectively meet these objectives.

Charter Section 371(a) authorizes bid preferences for California-based or Los Angeles County-based businesses as determined by ordinance. Utilizing this section of the Charter, the City Council previously adopted Los Angeles Administrative Code Section 10.47, which created a bid preference program that lowered the amount of a bid submitted by a local business by 8% when compared to other bids.

The enclosed draft ordinance approved by BOAC does not use the same bid preference method contained in Section 10.47. Instead, the draft ordinance would require a business seeking a LAWA contract to meet minimum bid percentages for local businesses and/or local small businesses. LAWA will determine on a project-by-project basis which contracts to require minimum bid preferences for local and local small businesses.

Also enclosed is BOAC's Resolution No. 25948 recommending that the draft ordinance be transmitted to, and approved by, the City Council.

If you have any questions regarding this matter, please contact Senior Assistant City Attorney Raymond Ilgunas at (424) 646-5010. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM/RI:pj
Transmittal